



CONGRESSIONAL HEARING RESUME

106TH Congress * Second Session*

SUBJECT: Full Committee Hearing on FY01 Defense Posture

COMMITTEE: House Armed Services

CHAIRMAN: The Honorable Floyd D. Spence (R-2-SC)

MEMBERS PRESENT:

Republicans

SPENCE, Floyd (SC)*
STUMP, Bob (AZ)*
HUNTER, Duncan (CA)*
KASICH, John (OH)*
BATEMAN, Herb (VA)*
HANSEN, James (UT)*
WELDON, Curt (PA)
HEFLEY, Joel (CO)*
SAXTON, Jim (NJ)*
BUYER, Steve (IN)*
FOWLER, Tillie (FL)*
McHUGH, John (NY)
TALENT, James (MO)
EVERETT, Terry (AL)
BARTLETT, Roscoe (MD)*
McKEON, Buck (CA)
WATTS, J.C. (OK)
THORNBERRY, Mac (TX)
HOSTETTLER, John (IN)
CHAMBLISS, Saxby (GA)*
HILLEARY, Van (TN)
SCARBOROUGH, Joe (FL)*
JONES, Walter (NC)
GRAHAM, Lindsey (SC)
RYUN, Jim (KS)*
RILEY, Bob (AL)*
GIBBONS, Jim (NV)
BONO, Mary (CA)
PITTS, Joseph (PA)*
HAYES, Robin (NC)*
KUYKENDALL, Steve (CA)*
SHERWOOD, Donald (PA)

Democrats

SKELTON, Ike (MO)*
SISISKY, Norman (VA)*
SPRATT, John (SC)*
ORTIZ, Solomon (TX)*
PICKETT, Owen (VA)*
EVANS, Lane (IL)
TAYLOR, Gene (MS)*
ABERCROMBIE, Neil (HI)*
MEEHAN, Martin (MA)*
UNDERWOOD, Robert (Guam)*
KENNEDY, Patrick (RI)
BLAGOJEVICH, Rod (IL)
REYES, Silvestre (TX)
ALLEN, Tom (ME)
SNYDER, Victor (AR)*
TURNER, Jim (TX)
SMITH, Adam (WA)*
SANCHEZ, Loretta (CA)
MALONEY, James (CT)*
McINTYRE, Mike (NC)*
RODRIGUEZ, Ciro D. (TX)
McKINNEY, Cynthia (GA)
TAUSCHER, Ellen (CA)*
ANDREWS, Robert (NJ)*
HILL, Baron (IN)
THOMPSON, Mike (CA)*
LARSON, John (CT)

*** Note: Members present**

WITNESSES: General Michael E. Ryan, Air Force Chief of Staff
General Eric K. Shinseki, Army Chief of Staff
Admiral Jay L. Johnson, Chief of Naval Operations
General James L. Jones, Commandant, United States Marine Corps

Information contained in this resume was obtained during an open hearing. It will not be released outside of the Department of Defense (DOD) agencies until published hearing transcripts have been released by the Committee, and only to the extent it is in accordance with published hearing procedures.

Committee was called to order at 1017

SUMMARY

Theme of the hearing concerned the UPL for the Services and the high cost of replacing the services aging equipment.

Chairman Spence's Opening Remarks

Said the President's FY01 budget request represented the first real growth in defense spending in a decade. We find ourselves at the bottom of a steep mountain that we must climb steadily and aggressively if we are to avoid the defense budget "train wreck" that is widely recognized as being just around the corner,"he stated. Believes military funding debate should be framed in terms of what level of national security risk our nation is willing to accept. Argued the UPL was an important measure of the inadequacy of our defense budget. Last Oct, he commented the service chiefs estimated that the cumulative level of unfunded requirements facing the services was approximately \$9B, even after assuming the increased funding anticipated in the FY01 budget.

Ranking Member Rep Skelton's Opening Remarks

Relayed he was pleased defense spending levels in the President's FY01 budget request. Declared this the "Year of Health Care,"and any reforms should incorporate and provide for military retiree health concerns. Noted that retirees were the services best recruiters. Pointed out the downsizing the Air Force has experienced from the 1980s to the present in both endstrength and aircraft. Stated while defense budgets shrank, operation tempo significantly increased: 1945-1990 -- services deployed a little less than 50 times; 1990-2000 -- a little less than 60 times. Listed priorities for the military for the next 20 years: (1) health care (both active & retirees); (2) solve the growing cultural gap between civilians and military; (3) need for greater emphasis on PME; (4) modernizing weapons systems; (5) QDR; (6) domestic terrorism; (7) counter the ballistic missile threat and the deployment of NMD; (8) protect computer systems (CMD).

Gen Ryan's Opening Remarks

Thanked Members and the Administration for increased funding. Stated readiness can be turned around, but has not yet. He provided a recap of the AF in 1999: opened 21 EAFs; success in Kosovo; and numerous humanitarian missions. Readiness was a problem in 1999 along with missed recruiting goals, he said. Foresaw increased pay and retirement benefits along with EAF as helping retention. Pointed out the AF was 1200 pilots short in 1999 and still is. Preliminary indicators are showing, he stated, that more pilots are taking the pilot bonuses. Other challenges involve increased maintenance time for the aging aircraft fleet. The plus up in spares funding is helping to meet that challenge along with replacement of aircraft such as the F-15 with the F-22. Warned continued infrastructure funding shortfalls will negatively impact long-term readiness if not turned around. He also emphasized the services have to keep health care promises made to active duty and retirees.

Gen Jones' Opening Remarks

In his remarks, he asked for the repeal of the 15% congressionally mandated scheduled cut in HQ staff.

Rep Spence

Asked witnesses to put a dollar amount the UPL not in the PB; how they plan to use the money; provide 5-year outlook for UPL; and how much their estimates for the UPL changed from the one forecast at the Oct 99 HASC Readiness hearing.

Gen Ryan

Responded AF would execute \$3.5B in FY01 in the people, readiness, modernization & infrastructure areas. Indicated the FY00 UPL asked for \$5B in additional funding and in the meantime increased operations with the equivalent of a 1 MTW.

Rep Skelton

Asked how EAF implementation was progressing.

Gen Ryan

Responded the AF was on a path to integrate air & space, provide global capability and become a light, lean, lethal force of the 21st century.

Rep Skelton

Asked witnesses to review PME to see if we're getting our money's worth.

Rep Buyer

Brought attention to the fact that the shortfall in AF endstrength broke current law and said he was surprised also at the AF's shortfall in meeting its recruiting goal. He asked Gen Ryan to an overview of the anthrax vaccination program. Wondered why the vaccine seemed to only give AF pilots adverse reactions. He also asked witnesses what health care reforms needed to be enacted.

Gen Ryan

Replied the AF did not intend to break the law and did not want the AF to be understrength. Said the recruiting trouble the AF is having is due to the lack of recruiters, which are being added. 360,000 is the right endstrength for the AF and had been validated by a Rand study, he said. With regards to health care reform, Gen Ryan stated a top priority would be a pharmacy benefit for retirees. Argued AF pilots were in the minority of overall personnel who refuse the vaccinations. Cited that 115,000 AF personnel had taken the vaccinations so far with only 90 refusals.

Rep Sisisky

Called attention to the CISI report relating to the potential ramifications of the shortfalls in defense spending. He also praised the JROTC program.

Gen Ryan

Said he had not read the report. Noted the average age of AF aircraft was 20 years and in the next 15 years the average age would be 30 years. Stressed the AF was not recapitalizing its fleet as it should.

Rep Kuykendall

Discussed how old aircraft/equipment was a drain on O&M funds.

Gen Ryan

Reaffirmed Rep Kuykendall's argument, saying flying costs for the C-17 was half that for the C-5.

Rep Jones

Brought attention to a bill he's introduced providing a \$500 credit for military personnel on food stamps. Vowed to speak out on the House floor until the measure passed.

Rep Snyder

Commented on the long time services are taking to return committee questions for the record. In his other comments, said another BRAC round was needed especially for the AF.

Gen Ryan

Replied he didn't know how much savings could be realized from another BRAC round because it would involve reorganizing forces.

Rep Skelton

Said under current law, DoD is allowed to single out bases for closure. Wondered if the services had the will to do it minus BRAC legislation.

Rep Saxton

Relayed to Gen Ryan that he thought the C-17 buys in FY01 was capped at 15 instead of the requested 12.

Gen Ryan

Replied the AF looked at the schedule over the next 3 years and that a UK buy would not effect the multi-year deal. Stress production would remain on schedule regardless if UK buys the 3 C-17s.

Rep Abercrombie

Raised the concept of splitting the defense budget into two parts: operational and capitalization. Asked if the Chiefs would consider the proposal.

Gen Ryan

Said he would listen.

Rep Meehan

Noted the AF family housing problems and asked Gen Ryan to explain the pilot project in place to rectify.

Gen Ryan

AF has test cases at 16 locations planned, he stated. Characterized family housing as a haven for family members of deployed personnel. Said the problem was variable BHA and worried about the long-term commitment of corporations.

Rep Hunter

Asked the Chiefs if they had looked at their inventory and determined the recapitalization schedule and costs?

Gen Ryan

Responded the AF has different roadmaps for different systems. Acknowledged inventories had not been costed out and the AF had no figures beyond the FYDP.

Rep Hunter

Wondered what caused the 50% drop in readiness for non-deployed AF forces during 1996-2000 timeframe.

Gen Ryan

Listed declining factors as: (1) underfunding of spares from 1996-97; (2) loss of mid-level NCOs; (3) high ops tempo (SWA/Kosovo)

Hearing concluded at 1410